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BEFORE THE ARIZONA CORPORATION
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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

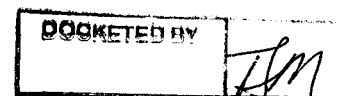
BOB STUMP
CHAIRMAN
GARY PIERCE
COMMISSIONER
BRENDA BURNS
COMMISSIONER
BOB BURNS
COMMISSIONER
SUSAN BITTER SMITH
COMMISSIONER

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, FOR A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY, AND FOR
ADJUSTMENTS TO ITS RATES AND
CHARGES FOR UTILITY SERVICE
FURNISHED BY ITS NORTHERN GROUP
AND FOR CERTAIN RELATED
APPROVALS.

Docket No. W-01445A-12-0348

Arizona Corporation Commission
DOCKETED

MAY 23 2013




RUCO'S NOTICE OF FILING

The RESIDENTIAL UTILITY CONSUMER OFFICE ("RUCO") hereby files its response to the request for language that RUCO believes would remove the legal impediment related to the SIB. RUCO has worked diligently to finalize the "magical wording" which RUCO believes will resolve the legal issues with the SIB. The focus of RUCO's attempts has been a mini-style rate case in which the Company submits an application which includes an analysis of all the rate case elements in an abbreviated format and an abbreviated procedure. There are many challenges in developing a viable format but one that is of particular note is matching the rate case elements. In order for each new revenue increase to make sense and be fair and reasonable there would have to be some connection between the test year and the year the new plant is actually put in

1 service. That connection becomes even more tenuous over time as the annual filings get
2 farther and farther away from the rate case test year.

3 RUCO has been unable to put a format together which it would feel comfortable
4 with. That is not to say it could not be done – just that RUCO has not been able to do it
5 yet. The SIB is only one of RUCO's objections to the settlement, but if there is language
6 and a method that can resolve the legal issue and there are adequate financial benefits to
7 the ratepayer to offset the obvious benefits to the shareholder RUCO would consider
8 withdrawing its objection to the SIB.

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10 RESPECTFULLY SUBMITTED this 23rd day of May, 2013.

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12 
13 Daniel Pozefsky
Chief Counsel

14 AN ORIGINAL AND THIRTEEN COPIES
15 of the foregoing filed this 23rd day
16 of May, 2013 with:

17 Docket Control
18 Arizona Corporation Commission
19 1200 West Washington
20 Phoenix, Arizona 85007

21 COPIES of the foregoing hand delivered/
22 mailed this 23rd day of May, 2013 to:

23 Sarah Harpring
24 Administrative Law Judge
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